

## **Resilient Retrofits Conflict of Interest Policy**

All LPAs must have a formal, written Conflict of Interest policy. At a minimum, the policy should outline which parties are covered and what measures will be taken to allow eligible parties access to program benefits while avoiding actual and perceived conflicts of interest.

Perceived or actual conflicts of interest may arise when certain individuals have access to inside information regarding the award of a contract or property assistance or have undue influence on the process by which a contract or property assistance is awarded.

The following policies apply to each group/activity:

- a) Building owned by a Municipal LPA employee or Board Member must adhere to Article 18, “Conflicts of Interest of Municipal Officers and Employees,” of the NYS General Municipal Law.
- b) Building owned by a Non-Profit LPA employee or Board Member  
It may be permitted for a non-profit LPA to allocate funds for a property owned by a member of its board or an employee. The allocation must be consistent with the general selection procedures of the program. The allocation must also be consistent with the organization’s adopted bylaws or other policies and the material facts of the potential conflict of interest must be disclosed to the non-profit board. The board must authorize this project selection and contract by a vote sufficient for such purpose, without counting the vote of the interested board member. The board member and/or the employee whose property may receive assistance may not vote on or participate in discussions concerning that matter. This vote must be clearly documented in the board’s meeting minutes. LPA must request prior approval from the Office of Community Renewal (OCR).
- c) Building owned by Contractor  
A contractor cannot receive funds for work done on a property that they own unless prior approval is acquired from OCR and the appearance of a conflict of interest is dispelled. A conflict of interest usually arises in these situations due to the unique information and influence that the building owner has in areas such as: developing work scopes; choosing which contractors to solicit; evaluating bids; use of material and determining satisfactory performance of the contract.

If a property owner has the expertise to act as the general contractor, the LPA must formally request an exception. The request should include a policy statement that addresses the concerns listed above. The policy must include third-party inspection, verification of costs, and overall project certification by an architect or project estimator. Documentation of appropriate licenses, environmental certifications, and required insurance must also be included in the request. In these instances, the program will only reimburse contractor expenses that have met the required procurement procedures. The LPA must obtain written consent from OCR prior to

entering into a contract with a property owner/contractor in such a circumstance. Projects that do not comply with these rules will not be eligible for reimbursement.

d) In the event of a Bid Solicitation

There must be a clear, written scope of work for the project for which bids or quotes are sought. All bidders must have equal access to relevant information, including information on the property itself. The process should be free of collusion or intimidation, and the LPA should exercise appropriate oversight over the entire process to ensure that it is fair and efficient and avoids actual and perceived conflicts of interest.

Please note a conflict of interest exists when an immediate family member is involved in the bidding process. NYS Homes and Community Renewal (HCR) defines immediate family as including a spouse, son, daughter, stepson, stepdaughter, father, mother, stepfather, stepmother, brother, sister, grandfather, grandmother, grandson, granddaughter, father-in-law, mother-in law, son-in-law or daughter-in -law.